

OCH

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

S-E-C-R-E-T

25X1

COUNTRY East Germany

REPORT

SUBJECT 1959 Production and Import
Plan for Nonferrous Metals

DATE DISTR. 15 MAY 1959

NO. PAGES 5

REFERENCES

25X1

DATE OF
INFO.
PLACE &
DATE ACQ.

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

25X1

1. The 1959 plan for the supply and distribution of nonferrous metals in East Germany was formulated on 18 December 1958. This is the working plan used by the Metal Bureau during early March 1959. Any changes which might have been made in the plan to date would be negligible. The plan fulfillment estimates for 1958 ("1958 Plan") can be accepted as plan accomplishments. If there were any differences between the actual yearly accomplishments and the estimates made as of the 18 December 1958, they would amount to only a few tons - plus or minus (See Annex I).

2. The column headed "1959 Plan" represents the planned totals available for distribution by the Metal Bureau during 1959. It is the total of:

- a. "Reserves" as of 1 January 1959
- b. Imports
- c. Domestic Production.

3. The column headed "Inventory" represents the inventory as of 1 January 1959. This represents in tons the reserves at the disposal of the Metal Bureau. It does not include the working stocks held by the consumers.

4. The column headed "Final Inventory" represents the planned inventory for the end of 1959.

5. The distribution section of the report indicates the distribution of nonferrous metals to the major consuming sectors. Miscellaneous or other distribution is not listed but can be determined by taking the totals of the distribution columns and subtracting them from the planned availability for 1959.

S-E-C-R-E-T

STATE	#X ARMY	#X NAVY	X AIR	#X FBI	AEC	X	ORR EV	X
(Note: Washington distribution indicated by "X"; field distribution by)								

25X1

INFORMATION REPORT INFORMATION REPORT

S-E-C-R-E-T

25X1

-2-

6. The (+) notation in the export column indicates that the items so designated are shipped directly from the U.S.S.R. to Czechoslovakia where they are processed into semi-finished goods (chiefly rolling mill products). These items are exported to East Germany and are included in the import figures for rolling mill products. The U.S.S.R. is paid for the raw materials and Czechoslovakia is paid for the value added by semi-processing.
7. The export of brass and indium is based on political motives or on the demand of a trading partner for these specific items. It does not represent a surplus available for export. The import of aluminum rolling mill products designated (+) includes special imports of 1,100 tons for the chemical program and 1,060 tons for the aircraft industry. The Technical Bureau (Technisches Kontor) column indicates the planned allotments for Wismut.
8. The Special Requirements [] column represents the requirements of nonferrous metals for the production of items on which information was classified. Information concerning the consumers included in this category is not available.
9. In column one the entry "other nonferrous metals" represents those metals not included in the preceeding entries. The rare metals are included in this entry.
10. The entry "Sundry Nonferrous Metals Account" [] is a reserve account set in monetary terms. It amounts to eight to ten million DMO for 1959. The 1959 figure was based on 1958 requirements and estimated 1959 requirements. The tonnage figures entered in the plan are rough estimates made for bookkeeping purposes. No entries are made in the distribution column since this is an emergency fund which can be drawn upon only as the need for special imports arises. The monetary allotment for this fund is included in the Foreign Currency Plan of the Ministry of Foreign Trade. The fund is used to purchase nonferrous metals needed to fill unanticipated orders, or to overcome bottlenecks caused by failures in planned domestic or import deliveries. Use of this account is authorized only when orders can not be filled within the existing plan.

25X1

25X1

25X1

Comments on Planning Procedure.

11. Plans for the metallurgical industry within the Metal Bureau [] are formulated in two parts:
 - a. Part I deals with ferrous metals.
 - b. Part II deals with nonferrous metals.
12. The figures contained in the plan for 1959 were drawn up by the Balances Group [] within the Sector for Mining and Metallurgy (headed by Winkler and his assistants Schulz and Dierschke) in coordination with the Department for Long-range Plans (headed by Kurt Gregor). The figures, as agreed upon, were presented to the Department for Balancing and Distributing the Means of Production (Fritz Selbmann). Within this department, the Plan became the responsibility of Sector II - Material and Technical Supply headed by Teschauer. He is responsible for supervision of the work of the Metal Bureau [] in the determination of supply and distribution according to assortment and quality, within the framework of the figures approved by the Department for Long-range Plans.
13. One of the major weak points in the East German planning system is the determination of plan goals by the Balance Groups within the various producing Sectors of the Planning Commission. Plans drawn up in this manner represent the interests of the producer and this often works to the detriment of the economy as a whole. Goals are often set lower than the productive capacity warrants in order to permit overfulfillment of plan goals with its concomitant prestige and payment of premiums.

25X1

25X1

S-E-C-R-E-T

-3-

25X1

14. The plan goals would be more realistic if they were set by the Department for Balancing and Distributing Means of Production [redacted]. They would then be more representative of the requirements of the consumer. In this manner the various sectors of the economy would not set their own goals but would be presented with goals which were more representative of the needs of the economy as a whole.

25X1

Conflict Between Plan Goals and Actual Requirements.

15. At the present time plan goals are based on the requirements of the preceding year. This has resulted in situations where the consumers' demands are not in agreement with the Planning Commission's estimates. This is especially true in so far as quality and assortment (types) are concerned. An example of this is the demand for semifinished aluminum products of all types. This demand grew as the East Germans stressed the necessity for reducing the inputs of ferrous metals in the machine construction industries through lighter construction and through the use of aluminum. At the same time the development of the East German aircraft industry increased the demand for aluminum products. The 1958 plan for the nonferrous metals industry failed to take into consideration this increased demand for aluminum products, especially the increase in demand for a wider range in assortment and quality. During the first half of 1958, the aircraft industry ordered 700 tons of aluminum products but the Metal Bureau could supply only 280 tons which met the specifications of the aircraft industry. This was true although this industry received its orders on a priority basis. The ability to meet specifications remains one of the major problems confronting the Metal Bureau in the supply and distribution of both ferrous and nonferrous metals.

Imports of Nonferrous Metals.

16. Details on the origin of imports are not known. East Germany is forced to buy where it can sell its products. The Foreign Trade Ministry had not drawn up its trade plan specifying country of origin and foreign currency allotment at the time subject plan was completed.
17. An estimated 85% of the nonferrous metal imports have their origin in the Bloc countries. The U.S.S.R. is the major source of raw materials. Czechoslovakia provides slightly more of the semi-finished nonferrous metal imports than does the U.S.S.R.
18. The special aluminum imports mentioned in the subject plan were to have their origin in Czechoslovakia, Yugoslavia, and Hungary. Imports from Yugoslavia had to be paid for as deliveries were made. Deliveries were stopped as soon as payments were not made. Trade difficulties with Yugoslavia have their origin in the tense political situation which exists between Yugoslavia and Bloc countries.

25X1

S-E-C-R-E-T

S-E-C-R-E-T

ANNEX I

1959 Production and Import Plan for Nonferrous Metals

	Supply					Distribution										Final Invent.
	1958 Plan	1959 Plan	Invent.	Dom. Prod.	Imp.	Exp.	Tech. Bur.	Spec. Requ.	Power	Electr. Eng.	Mining Metallurgy	Chem.	Heavy Mach.	Const. Gener. Mach.	Hand Tools	
Refined -, electr. copper	57779	62060	4500	36560	21000	(+) 475		4000		6800	43800	30				5564
Ref.-, electr. copper and hard lead	64456	62037	8000	32337	30700		5	522	5	38900	7750	6000	1440	137		2438
Secondary zinc and alloys	4103	4092	292	3800						62	800	2400	84	250		176
Fine and primary zinc	31203	36643	4180	163	32300	(+) 260	1	4004		996	10800	8200	3172	1450		4558
Tin	2207	2582	350	732	1500	(+) 10.5	1	1		96	1310	140	48	87	05	353
Nickel	2056	2265	400	115	1750			51		6	1245	110	14		05	381
Selenium	28.5	27	6	18	3					16		45		1		2
Second. aluminum and alloys	18149	19000	500	18500				22			800	140				38
Primary aluminum and alloys	64439		2500	35300	36500	(+) 2970		1		9465	37550	10500				1145
Magnesium and second alloys	480	634	54	580				3.5				30		0.5		180
Primary magnesium	2660	1855	855		1000						335	730				314
Antimony	927	1000	300		700			10		242	350	8		2		3.5
Cadmium	155	178	28		150					85	2.5	22		0.2		5
Cobalt	145	1328	528		80			5		0.4	16	75			94	149
Yellow and red brass	2997	2680	280	2400				3.5						27.5		81
Red brass (Rg-5-Basis)	6108	6070	770	3300	2000		10	4								10
Brnze (Goz-10-Basis)	1597	1240	140	1100			15	15								10
Bearing metal (WM-10 Basis)	2014	2287	187	2100			6	5	10	30	38	160	545	30		5
Bearing metal (Wm-80)	650	780	130	650			3	16	8	12	50	40	475	10		20
Tin solder	2190	2190	370	1820			10	49	5	575	12	30	107	460	3	
Rolled copper	36830	39800	1400	37100	1300		30	230	110	27800	3550	760	2040	730	6	1400
Rolled brass	20058	21240	1440	18600	1200	42	10	680	10	5500	870	520	1340	5800	30	1440
Rolled bronze	1559	1765	36	1335	390		12	73		360	330	15	300	375	71	36
Rolled nickel	563	402.8	12	390	03			2		210	2	17.5	6	65	12.5	12
Rolled aluminum	48279	56400	1800	49570	(+) 5030		25	280	20	23650	5165	1200	4900	5950	1310	1800
Rolled magnesium	36.5	52.8	8	25	19.8			1		0.9	10.9		2	27	19.8	8
Rolled lead	4994	6950	100	6850			2	1180			1000	1350	75	35	2	100
Rolled zinc	2348	2250	450	1800			1	33		510	33	22	150	35	0.5	20
Rolled nickel silver	505	555	5	550				2.5		5	22		14	210		2
Rhenium	1132	1370	1130	240												1370
Titanium	3100	2400	400		2000					2	173		0.2	1.8		400
Beryllium	82	284	24		260											

S-E-C-R-E-T

ANNEX I
Page 2

	1958 Plan	1959 Plan	Invent.	Dom. Prod.	Imp.	Exp.	Techn. Bur.	Spec. Requ.	Power	Electr. Eng.	Mining	Chem.	Constr. Heavy Mach.	Gener. Mach.	Ind.	Final Invent.
Germanium		300		300						300						
Indium	26.7	1357	0.7	60	75	29					75			.2	1	0.5
Gallium	4.6	4.6	4.6							30						4.6
Columbium		6			6						5		0.5			
Zirconium	31.4	445.4	345.4		100				20	54	100					2514
Semi-finished rare metals	1090	1298			1298					106		42.6	322.4		60	12
Chrome nickel wire	56	55	19		36			0.6	0.2	18.5	3.1	3.4	2.4	3.5	0.2	7
Mercury	368	397	37		360			11	0.5	15	1	290	1	24.5	0.3	4
Other nonferrous metals	4418	4861	811	1650	2400			11			42	1200				12
"Konto Diverse NE"	1346	2300			2300											2300

Page Denied

Next 2 Page(s) In Document Denied